

SUBCHAPTERS L-M [RESERVED]

SUBCHAPTER N—WAR RISK INSURANCE

PART 198—AVIATION INSURANCE

Sec.

- 198.1 Eligibility of aircraft for insurance.
- 198.3 Basis of insurance.
- 198.5 Types of insurance coverage available.
- 198.7 Amount of insurance coverage available.
- 198.9 Application for insurance.
- 198.11 Change in status of aircraft.
- 198.13 Premium insurance—payment of premiums.
- 198.15 Nonpremium insurance—payment of registration fees.

APPENDIX A TO PART 198—FORM OF APPLICATION NAMED IN § 198.9

AUTHORITY: 49 U.S.C. 106(g), 40113, 44301–44310; 49 CFR 1.47(b).

SOURCE: Docket No. 24223, 50 FR 51336, Dec. 16, 1985, unless otherwise noted.

§ 198.1 Eligibility of aircraft for insurance.

An aircraft operation is eligible for insurance if:

- (a) The President of the United States has determined that the continuation of that aircraft operation is necessary to carry out the foreign policy of the United States,
- (b) The aircraft operation is in foreign air commerce or between two or more points all of which are outside the United States; and
- (c) The Administrator finds that commercial insurance against loss or damage arising out of any risk from the aircraft operation cannot be obtained on reasonable terms and conditions from any company authorized to engage in an insurance business in a State of the United States.

§ 198.3 Basis of insurance.

(a) Application for insurance with premium may be made if the eligibility criteria in § 198.1 are met. Premiums charged for insurance shall be based, insofar as practicable, upon consideration of the risk involved.

(b) Applications for insurance without premium may be made if the eligibility criteria in § 198.1 are met and air services are to be performed under contract to a Federal agency which has

agreed to indemnify the Administrator, acting for the Secretary of Transportation, against all losses covered by such insurance.

§ 198.5 Types of insurance coverage available.

Application may be made for insurance against loss or damage with respect to the following persons, property, or interests:

- (a) Aircraft engaged in operations which are eligible for insurance, as defined in § 198.1;
- (b) Any person employed or transported on the aircraft referred to in paragraph (a);
- (c) The baggage of persons referred to in paragraph (b);
- (d) Cargoes transported or to be transported on the aircraft referred to in paragraph (a);
- (e) Any other liability of the aircraft referred to in paragraph (a) or of its owner or operator of the nature customarily covered by insurance.

§ 198.7 Amount of insurance coverage available.

(a) For each aircraft the amount insured may not exceed the amount by which the applicant has otherwise insured or self-insured the aircraft or itself against damage or liability arising from any risk. In the case of hull insurance, the amount insured shall not exceed the fair and reasonable value of the aircraft.

(b) Policies issued without premium may be revised from time to time, by agreement of the Federal Aviation Administrator and the insured and with the approval of the Federal agency on whose behalf contract air services are to be performed, to add aircraft or contracts or to amend amounts of coverage if the insured has changed the amount by which it has otherwise insured or self-insured the aircraft or itself.

§ 198.9 Application for insurance.

(a) Application for premium or non-premium insurance shall be made in